

**MESCHKOW & GRESHAM, P.L.C.**

PATENT, TRADEMARK AND COPYRIGHT LAW

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FROM: Charlene R. Jacobsen	If there are any problems receiving this transmission, please contact us immediately at: (602) 274-6996.
DATE: 24 November, 2004	

**RE: Patent Application Serial Number 09/353,723**

Examiner Poinvil:

You asked that I contact you today, November 24, 2004, regarding possible modifications to the independent claims that could render them allowable. I have been unable to reach you by telephone. Accordingly, attached please find independent claims 1, 16, and 20 of the patent application including the proposed modifications. Claims 1, 16, and 20 include the modifications that we discussed in our telephone conversation on Monday, November 22<sup>nd</sup>. Claims 1, 16, and 20 further include the modifications that you suggested might render these claims allowable.

Each of claims 1, 16, and 20 includes your suggested modification of deleting the term "one of" in the engaging operation. In keeping with that modification, the transferring operation should be modified by deleting the term "said" in front of "one of said first item and said another item."

It is our hope that these modifications can be entered by an Examiner's Amendment and will now place this application in condition for allowance.

Thank you for your consideration. Please call if you have any questions whatsoever.

Charlene Jacobsen



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1. (PROPOSED AMENDMENT) A process for managing ownership of a valuable item ~~involved in a first financial transaction between a merchant and a customer, said~~ valuable item being one of a first item and another item, and said process comprising:

leasing said first item to a customer in ~~said a first financial transaction between a merchant and said customer~~ so that said customer is thereafter obligated to make periodic lease payments to said merchant;

establishing a reserve credit account (RCA) for said customer with said merchant;

recording the accumulation of funds in said RCA in response to payments voluntarily given to said merchant by said customer after said first financial transaction, said establishing and recording operations being performed using a computer system;

engaging in a second financial transaction between said customer and said merchant, said second financial transaction occurring after said first financial transaction and involving [one of] said first item and said another item at the option of said customer, and said second financial transaction causing funds recorded in said RCA to be reduced; and

transferring affected ownership rights of [[said]] one of said first item and said another item to said customer in response to said second financial transaction.

16. (PROPOSED AMENDMENT) A process for managing ownership of a valuable item ~~involved in a first financial transaction between a merchant and a customer~~, said valuable item being one of a first item and another item, and said process comprising the steps of:

forming a lease agreement for leasing said first item to a customer in ~~[[said]] a first financial transaction between a merchant and said customer~~, said lease agreement being configured so that said customer is obligated to make periodic lease payments to said merchant;

establishing, using a computer system, a reserve credit account (RCA) for said customer with said merchant;

registering, using said computer system, the accumulation of funds in said RCA in response to voluntary payments received by said merchant from said customer after said first financial transaction;

recording, using said computer system, a second financial transaction between said customer and said merchant, said second financial transaction occurring after said first financial transaction, said second financial transaction involving ~~one of~~ said first item and said another item at the option of said customer, and said second financial transaction causing funds recorded in said RCA to be reduced; and

transferring affected ownership rights of ~~[[said]]~~ one of said first item and said another item to said customer in response to said second financial transaction.

20. (PROPOSED AMENDMENT) A process for managing ownership of a valuable item ~~involved in a first financial transaction between a merchant and a customer~~, said valuable item being one of a first item and another item, and said process comprising:

leasing said first item to a customer in ~~[[said]]~~ a first financial transaction between a merchant and said customer so that a lease term is established, a purchase price for said first item is set, said customer is obligated to make periodic lease payments to said merchant, said customer has an option to purchase said first item from said merchant for said purchase price during said lease term, and said obligation to make subsequent periodic lease payments is removed upon a return of said first item to said merchant during said lease term;

establishing, in a computer system, a reserve credit account (RCA) for said customer with said merchant;

recording, using said computer system, the accumulation of funds in said RCA in response to payments voluntarily given to said merchant by said customer after said first financial transaction, said funds accumulating to quantities greater than the total of said payments voluntarily given to said merchant by said customer;

posting, using said computer system, said lease payments to accounts for rent and sales tax as said lease payments are received;

sending statements from said merchant to said customer from time to time, said statements indicating quantities of funds recorded in said RCA for said customer;

engaging in a second financial transaction between said customer and said merchant, said second financial transaction occurring after said first financial

transaction, said second financial transaction involving [one of] said first item and said another item at the option of said customer, and said second financial transaction causing funds recorded in said RCA of said computer system to be reduced; and

transferring affected ownership rights of [[said]] one of said first item and said another item to said customer in response to said second financial transaction.